

Memorandum for the Record

28 June 1952

STAT      A review of the Senate Appropriations Committee report on [ ] Appropriations indicated that certain cuts had been made against CIA, and this was confirmed in a conversation between Mr. Saunders and General Moore. As a result, and after informing General Smith, Mr. Saunders and I talked with Sen. O'Mahoney, who stated that the overall Government budget was out of balance and therefore must be cut, with the result that CIA must take a cut with the other Government agencies; that he and Sen. Ferguson had meant to call on General Smith for testimony, but said he had just not had time; that the Lattimore story had not helped; and that we would therefore just have to absorb this cut, which amounts to approximately 27% of the budget.

30 June 1952

Col. White, Mr. Saunders and I discussed the Senate budget cut with the DCI and recommended that the DCI call Congressman Mahon and inform him of the cut. I pointed out that inasmuch as our original request to the House Appropriations people was a valid request, we could not let a substantial cut go by without a protest as it would indicate that we could readily absorb such a cut and had in effect padded our budget. The DCI stated that he would call Congressman Mahon, at which time he would also ask for permission to utilize certain funds for air-conditioning.